

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
O'NEAL ROOM
3/11/15

ATTENDEES:

Deyst*	White*	Caccavaro*	Kellar*	McKenna*
DeCoursey*	Wallach*	Simmons*	Gibian*	
Tosti*	Foskett*	Bayer*	Duvadie*	
Kardon*	Beck*	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Turkall*

VISITORS: Town Manager Adam Chapdelaine, Deputy Town Manager Andrew Flanagan, DPW Energy Manager Ruthy Bennett, Building Maintenance Committee Members Barbara Thornton, Vince Cerbone; Health & Human Services Director Christine Bongiorno, BOH Office Manager Patti Brennan, Veterans Services Director Jeff Chunglo

TRANSFER TO VETERANS SERVICES: Chunglo reviewed Chap 15 which reimburses the Town for 75% of the cost of veterans services including burial and emergency housing. It also reimburses 100% for flags on graves and emergency housing. There is a new resource center in Town Hall. Chunglo answered numerous questions from members.

VOTED \$155,000 from Reserve Fund to Veterans Services as requested (Ref 1).
Unanimous

FACILITIES DEPARTMENT: Chapdelaine, Flanagan & Bennett, using a presentation hard copy (Ref 2) described a new department that will consolidate the custodial workers in town buildings and the building maintenance contracts which are now distributed across several departments. The department's director will be a new position. The plan will require 2 years to become fully implemented. The Facilities Department will be responsible for maintenance of all town buildings. The objective is to improve the quality and consistency of the work done, and in the long term. save money. Bennett explained several undesirable "situations" which the new department will address. Chapdelaine recognized and thanked the members of the Building Maintenance Committee for their research and planning.

MBTA LOCAL ASSESSMENTS: Tosti provided a list (Ref 3) of MBTA assessments of many towns & cities. The list shows the weighting of each community. Arlington's weighting (9) and assessment (\$2.6m) is much greater than several communities with comparable or greater MBTA service. The weights were established by the legislature. He has asked the Town Manager to write a letter to our legislators and urged members to discuss with legislators.

SNOW & ICE FINANCING OPTIONS: Chapdelaine provided a memo (Ref 4) discussing options, possible reimbursements, and requesting additional deficit spending authority. VOTED \$200,000 additional snow & ice deficit spending authority for a total of \$1.45m. Unanimous

DEPT HEAD STEP INCREASES: Chapdelaine explained (Ref 5) that he has begun a goal setting & personal review process which will lead to merit-based raises in FY17.

STATUS OF ENERGY AND FUEL CONTRACTS: Chapdelaine provided a table (Ref 6) showing the vendors, end dates & charging rate for each of 5 energy sources.

SOLAR POWER: Chapdelaine summarized (Rev 7) his proposal to sign a 20 yr contract to buy electricity from solar panels installed on the roofs of 6 schools. The electricity will be sold to the utility to obtain a net metering credit. An annual saving of

\$100k is expected. He believes the risk is very small. Members, remembering the Wheelabrator contract, urged caution.

ART 6 ZONING BYLAW AMENDMENT: Chapdelaine believes this proposal will require additional staff. He does not think there is a problem. In discussion, most members agreed. Some were concerned that since the proponent would not come, the FinCom does not have a balanced picture of this issue. VOTED no action 15-5.

ART 13 DISPOSE OF DAV BUILDING: Chapdelaine said the BoS plan to lease the building to a person who will set up a collaborative work space. There will be little or no cost to the Town. VOTED to support the BoS. Unanimous.

ART 14 DISPOSE OF UNDEVELOPED LAND: Chapdelaine stated that this small parcel is not highly valuable. FinCom will not report.

ART 16 COMPLETE STREETS PROGRAM: Chapdelaine has advised the BoS that accepting this legislation that offers grants for quality streets, which we already have, is a good deal. The BoS agree. FinCom will not report.

ART 20 COLLECTIVE BARGAINING: Chapdelaine hopes (Ref 8) to have some agreements ready before Town Meeting. FinCom Report deadline is 4/13.

ART 33 HUMAN RIGHTS COMMISSION EXECUTIVE DIRECTOR: Chapdelaine will recommend BoS appoint the Director of Human Services to this position as an additional responsibility. VOTED to table until the BoS takes action.

COA TRANSPORTATION EF: Chapdelaine believes that this enterprise fund has no long term problem. He has encouraged them to draw down their fund.

COMMITTEE:

RESERVE FUND: \$870,005-\$155,000=\$715,005

Peter Howard 3/11/15. Revised 3/16/15

Ref 1 Veterans Services Reserve Fund Transfer

Ref 2 Town of Arlington Facilities Department

Ref 3 MBTA Local Assessments on Cities & Towns – FY16 Facts

Ref 4 Snow & Ice Financing Options

Ref 5 Department Head Step Increases

Ref 6 Status of Energy & Fuel Contracts

Ref 7 Solar Power Purchase Agreement

Ref 8 Collective Bargaining



Town of Arlington
Department of Health and Human Services
Office of the Board of Health

27 Maple Street
Arlington, MA 02476

Ref 1

Tel: (781) 316-3170
Fax: (781) 316-3175

MEMO

TO: Andrew Flanagan, Deputy Town Manager

FROM: Christine Bongiorno, Director of Health and Human Services

DATE: March 9, 2015

RE: Veterans Services FY2015 budget-Reserve Fund Transfer Request

The FY15 Veterans Assistance budget was set at \$288,000, this allowed for a monthly average of \$24,000, and the average that has been expended through the first six months of the fiscal year is about \$35,000 per month. The average anticipated for the last four months will be \$38,750, resulting in the need for a \$155,000 reserve fund transfer to cover the budget until the end of the fiscal year.

An informational summary has been attached.

Arlington Veterans Services

Financial Aid and Assistance to Veterans and dependents

Each community within the Commonwealth is mandated to provide financial and medical assistance to veterans and their dependents based on “means testing.” In Arlington, state benefits (Chapter 115) are administered through the Veterans Services Office. Additionally, veterans receive assistance and support in seeking other state and or federal benefits and services they may be eligible for.

Reimbursement to local municipality

Amount Reimbursed	What services are reimbursed?
75%	Financial assistance Medical assistance
100%	cost of flags for graves emergency housing assistance burials (up to \$2,000) training for the Director of Veterans Services

History of Reimbursements to the Town of Arlington

Reimbursements are made by the state to the town one year after the payment is made to the veteran. Below is a table depicting the funding that is reimbursed to the town through cherry sheets, benefits paid by the town, the percentage reimbursed and the net cost to the town. Please note that both FY14 and FY15 will be reimbursed through cherry sheet receipts in future years to account for increased benefits paid.

	FY15 (est)	FY14 (est)	FY13	FY12
Cherry Sheet receipts	\$ 225,800.00	\$ 207,767.00	\$ 223,340.00	\$ 204,682.00
Benefits Paid	\$ 288,000.00	\$ 323,132.00	\$ 276,717.00	\$ 263,855.00
% Reimbursed	78%	64%	81%	78%
Net cost to Arlington	\$ 62,200.00	\$ 115,365.00	\$ 53,377.00	\$ 59,173.00

Veterans served through Chapter 115 benefits

2012	2013	2014	2015	2016 anticipated
49	53	68	69	75

Additional resources now provided to veterans in Arlington

Job resource center available to all veterans residing in Arlington Mandated job counseling to veterans receiving ch 115 benefits	Assistance with accessing federal benefits and navigating federal benefits programs Assistance accessing other state and local financial benefits such as food stamps and fuel assistance
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Fiscal Year 2016

The preliminary FY16 cherry sheet shows an increase in Veterans Benefits to \$317,384 which is an increase over previous years. The corresponding town budgeted amount for FY16 is \$360,000.



Town of Arlington Facilities Department

Recommendations of the
Town Manager
&
Building Maintenance Committee



Facilities Maintenance Department

FMD Plan Yields:

- ✓ New Department
- ✓ New Director Position
- ✓ Long Term Capital Benefits
- ✓ Short Term Cost Benefits
- ✓ Long and Short Term Quality Improvements



Town Manager's Implementation Plan

- Year 1
 - Create Facilities Department
 - Fund Director of Facilities Position (50/50 Town/School)
 - Establish administrative function
 - Consolidate reporting structure for all custodial and maintenance personnel
 - Begin consolidating maintenance budgets under Facilities Department
- Year 2
 - School & Town consolidate maintenance budgets under Facilities Department



Improve Mid-Term Maintenance

Long Term Facilities Management:

- Via current Capital Planning Committee process

Mid Term Facilities Management:

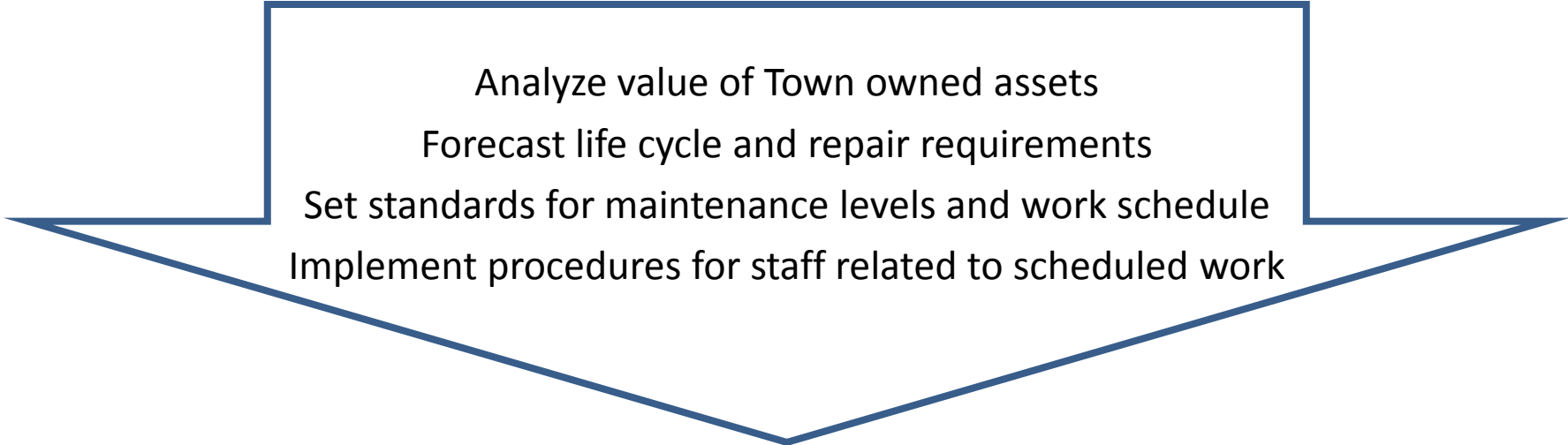
- **Analyze value of Town owned assets**
- **Forecast life cycle and repair requirements**
- **Set standards for maintenance levels and work schedule**
- **Implement procedures for staff related to scheduled work**

Short Term Facilities Management:

- Schedule emergency repairs via work orders
- Memorialize completed work



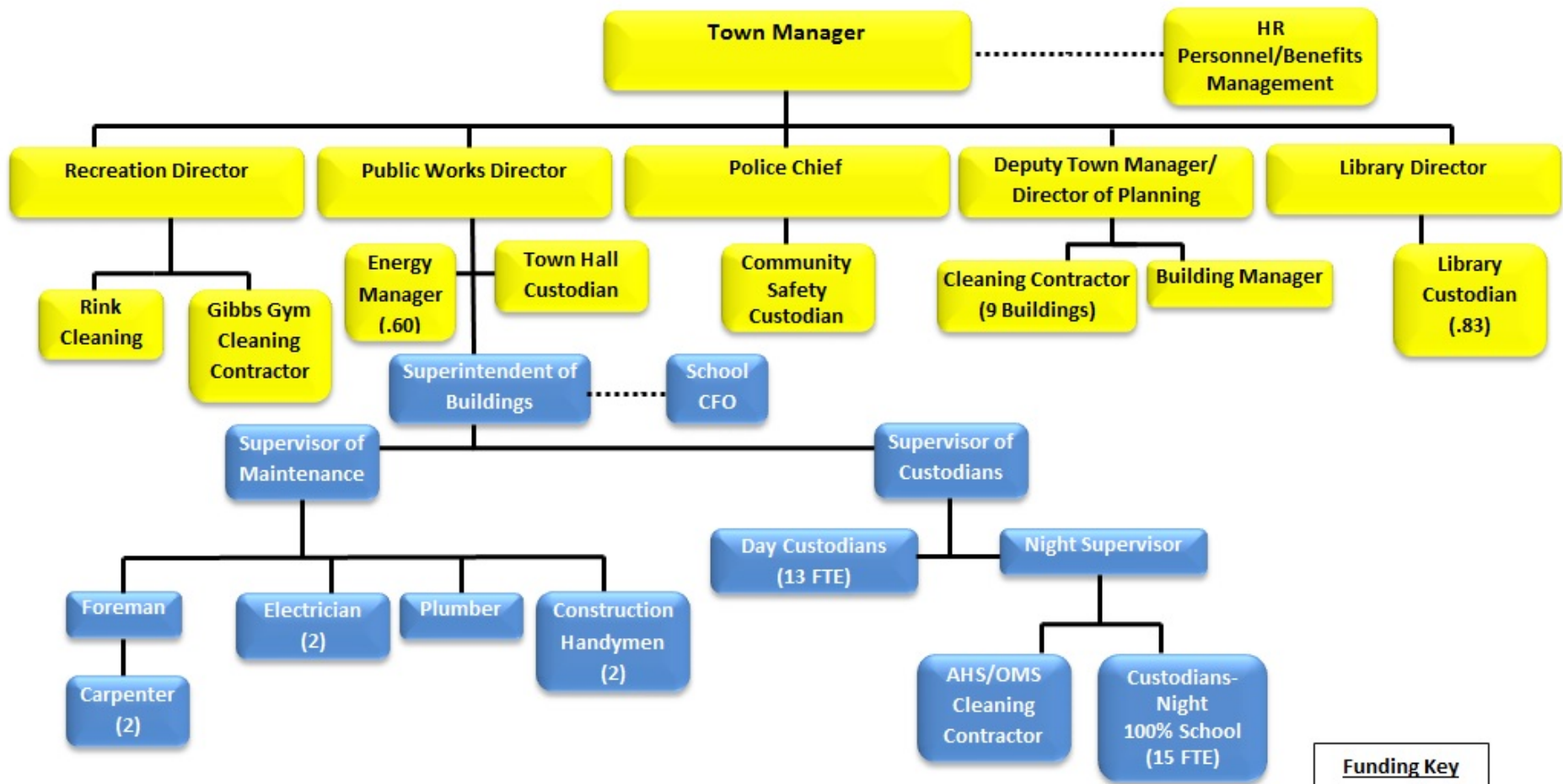
New FMD Operations Can



- Analyze value of Town owned assets
- Forecast life cycle and repair requirements
- Set standards for maintenance levels and work schedule
- Implement procedures for staff related to scheduled work

Which Will

- Postpone Capital Costs
- Reduce Manpower Costs
- Reduce Errors & Inefficiencies
- Reduce Overcharge Premiums for Emergency Repairs
- Improve the Quality of Maintenance Work
- Improve the Condition of Facilities



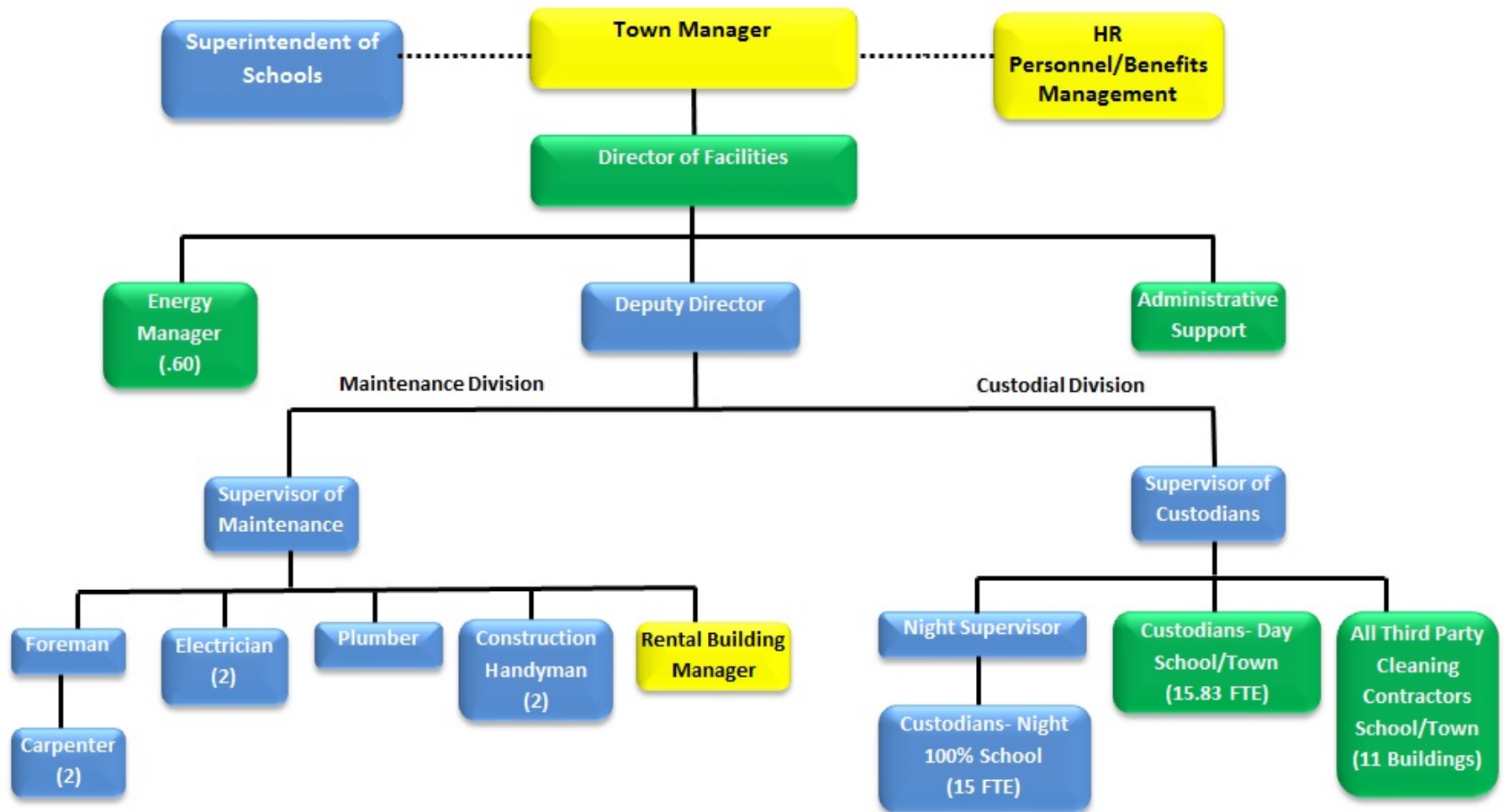
CURRENT ORGANIZATIONAL CHART- TOWN OF ARLINGTON

Funding Key
Yellow- Town
Blue- School



Reorganization Brings Improvement

- **5** Individuals who report to the TM that assume building maintenance responsibilities. These responsibilities have developed informally over a significant period of time and do not directly relate to their job responsibilities.
- **11** DHs and/or administrative staff oversee more than **40** buildings
- Currently have **3** separate cleaning contracts; supervised by **3** separate individuals
- Lack of formal **oversight** of both staff and cleaning contracts. Supervising manager may not work the same hours of custodial and maintenance staff.
- Facility capital planning & budgeting is **decentralized** among departments
- **HUGE GRAY BILLING BURDEN ON ADMIN & CLERICAL STAFF** : The School bills the Town for every maintenance project they perform for town with school funds and vice versa.



**TOWN OF ARLINGTON FACILITIES DEPARTMENT
PROPOSED ORGANIZATIONAL CHART**

Funding Key	
Yellow-	Town
Blue-	School
Green-	Joint



Will It Save Money?

Will it Save Time?

Will it Improve Quality?

Postpone Capital Cost of Major Repairs

Situation: Routine maintenance and annual review of expensive assets can help prevent unanticipated major repair costs.

Example: Peirce School Chiller

- \$65,000 purchase price
- Constant cycling of chiller to achieve extremely narrow temperature setting
- Over 30 year life cycle would have reduced 25% of life span
- Within 2 months of installation- problem was recognized, repaired and future equipment requirements were memorialized

Reduce Manpower Costs

Situation: Current organizational structure is time consuming for staff and inefficient for project management

Examples:

- One point of oversight by expert, not by 11 individual departmental administrators
- Consolidate 3 separate cleaning contracts currently supervised by 3 separate individuals
- Alleviate burden on departmental administrative staff
- Reduce “gray billing” time
- Opportunity for consistent performance evaluation

Reduce Missteps & Inefficiencies

Situation: Lack of policy & procedures for initiating and implementing projects.

Example:

- No policy or protocol for contacting third party contractors.
- No central intake function for all emergency and repair requests.
- Significant extra costs incurred as a result of individual departments initiating work.

Reduce Cost for Emergency Repairs

Situation: Emergency repairs are generally low quality, “band-aid” fixes and are not memorialized.

Example: Conflicting projects at school and library

- Time sensitive and community related event repair at school
- Lack of coordinated scheduling removed staff from school and reallocated to secondary emergency repair at library
- Loss of thermal comfort was a potential outcome for community at school event
- Extra coordination, cost and frustration required to rectify personnel allocation.

Improve the Quality of Maintenance Work

Situation: Lack of expert and appropriate oversight of custodial staff & contracted services

Example: Department Heads currently manage custodial staff and in some instances contracted services

- Department head hours of work not aligned with that of custodial staff & contracted work
 - Unsupervised, lack of accountability
- Lack of project oversight
- Currently no evaluative criteria for projects and assignments

Improve the Condition of Facilities

Situation: Lack of planning for preventative maintenance and upkeep of facilities.

Example: Interior painting project postponed or cancelled in order to fund competing (non-maintenance & non-emergency) priorities.

- **10 year** schedule for maintenance and repair of all buildings
 - **Painting, Appliances, Flooring, Building Systems, Roofing, etc.**

Comparable Communities Use Consolidated Facilities Departments

Town/City	Total Square Footage
Belmont	815,000
Bedford	705,034
Brookline	2,750,000
Lexington	1,400,000
Milton	950,000
Natick	1,160,943
Needham	1,100,000
North Andover	1,000,000
Reading	1,800,000
AVERAGE	1,297,886

- Arlington Total Square Footage = 1,322,243
- 11 different department heads/administrative staff currently oversee a total of 40 buildings

Measuring Effectiveness

How will we know it is worth the change?

- Reduced costs of third party personnel
- Early detection of issues/fewer expensive emergency repairs
- Assets lasting through expected life span
- Coordinated response to problems with less burden on department heads
- Fewer failures/improved equipment operation/less down time
- Memorialized details of work completed
- New software will provide more detailed data
- Manpower reorganization will leave a fiscal trail

Massachusetts Bay Transportation Authority
Local Assessment on Cities and Towns

FY2016 Statement of Facts
2013

	Est. Census		Weights	Weighted Population	Total District %	FY2016 MBTA		Prelim RTA Assessment Credit	Adjust RTA Assessment Credit	Interim			MBTA Final Assessment	Assessment %
	Population					Assessed				Population	%	Charge		
Arlington	44,028	9	396,252	1.5945%		2,596,760				396,252	1.7545%	230,404	2,827,164	1.7368%
Belmont	25,332	9	227,988	0.9174%		1,494,075				227,988	1.0095%	132,567	1,626,642	0.9993%
Boston	645,966	18	11,627,388	46.7879%		76,197,812				11,627,388	51.4837%	6,760,850	82,958,661	50.9634%
Brookline	59,128	12	709,536	2.8551%		4,649,805				709,536	3.1417%	412,566	5,062,371	3.1099%
Cambridge	107,289	12	1,287,468	5.1807%		8,437,170				1,287,468	5.7006%	748,610	9,185,780	5.6430%
Chelsea	37,670	9	339,030	1.3642%		2,221,767				339,030	1.5012%	197,132	2,418,899	1.4860%
Everett	42,935	9	386,415	1.5549%		2,532,295				386,415	1.7110%	224,685	2,756,980	1.6937%
Malden	60,509	9	544,581	2.1914%		3,568,805				544,581	2.4113%	316,652	3,885,457	2.3869%
Medford	57,170	9	514,530	2.0704%		3,371,872				514,530	2.2782%	299,178	3,671,050	2.2552%
Milton	27,270	9	245,430	0.9876%		1,608,378				245,430	1.0867%	142,707	1,751,085	1.0757%
Newton	87,971	9	791,739	3.1859%		5,188,507				791,739	3.5057%	460,364	5,648,871	3.4702%
Revere	53,756	9	483,804	1.9468%		3,170,515				483,804	2.1422%	281,312	3,451,827	2.1205%
Somerville	78,804	9	709,236	2.8539%		4,647,839				709,236	3.1404%	412,392	5,060,231	3.1086%
Watertown	32,996	9	296,964	1.1950%		1,946,096				296,964	1.3149%	172,672	2,118,768	1.3016%
Bedford	13,975	3	41,925	0.1687%		274,747				41,925	0.1856%	24,378	299,125	0.1838%
Beverly	40,664	3	121,992	0.4909%		799,451				121,992	0.5402%	70,933	870,384	0.5347%
Braintree	36,727	3	110,181	0.4434%		722,050				110,181	0.4879%	64,066	786,116	0.4829%
Burlington	25,463	3	76,389	0.3074%		500,600				76,389	0.3382%	44,417	545,017	0.3348%
Canton	22,221	3	66,663	0.2682%		436,863				66,663	0.2952%	38,762	475,625	0.2922%
Cohasset	8,273	3	24,819	0.0999%		162,646				24,819	0.1099%	14,431	177,077	0.1088%
Concord	19,285	3	57,855	0.2328%		379,141				57,855	0.2562%	33,640	412,781	0.2536%
Danvers	27,483	3	82,449	0.3318%		540,313				82,449	0.3651%	47,941	588,254	0.3614%
Dedham	25,299	3	75,897	0.3054%		497,376				75,897	0.3361%	44,131	541,507	0.3327%
Dover	5,797	3	17,391	0.0700%		113,969				17,391	0.0770%	10,112	124,081	0.0762%
Framingham	70,441	3	211,323	0.8504%		1,384,865		(1,074,151)		211,323	0.9357%	122,876	433,590	0.2664%
Hamilton	8,131	3	24,393	0.0982%		159,855				24,393	0.1080%	14,184	174,039	0.1069%
Hingham	22,740	3	68,220	0.2745%		447,066				68,220	0.3021%	39,667	486,965	0.2990%
Holbrook	10,952	3	32,856	0.1322%		215,315				32,856	0.1455%	19,104	234,419	0.1440%
Hull	10,332	3	30,996	0.1247%		203,126				30,996	0.1372%	18,023	221,149	0.1359%
Lexington	32,650	3	97,950	0.3941%		641,896				97,950	0.4337%	56,954	698,850	0.4293%
Lincoln	6,565	3	19,695	0.0793%		129,067				19,695	0.0872%	11,452	140,519	0.0863%
Lynn	91,589	3	274,767	1.1056%		1,800,632				274,767	1.2166%	159,766	1,960,398	1.2043%
Lynnfield	12,395	3	37,185	0.1496%		243,685				37,185	0.1646%	21,622	265,307	0.1630%
Manchester	5,249	3	15,747	0.0634%		103,195				15,747	0.0697%	9,156	112,351	0.0690%
Marblehead	20,187	3	60,561	0.2437%		396,875				60,561	0.2682%	35,214	432,089	0.2654%
Medfield	12,313	3	36,939	0.1486%		242,073				36,939	0.1636%	21,479	263,552	0.1619%
Melrose	27,690	3	83,070	0.3343%		544,383				83,070	0.3678%	48,302	592,685	0.3641%
Middleton	9,419	3	28,257	0.1137%		185,177				28,257	0.1251%	16,430	201,607	0.1239%

Ref 3

Massachusetts Transportation Authority
Local Assessment on Cities and Towns

FY2016 Statement of Facts

	2013			FY2016		Prelim		Adjust		RTA Reallocation			Interim	Paratransit Cr. & Allocation	MBTA	
	Est. Census	Weights	Weighted	Total	Preliminary	RTA	Assessment	RTA	Assessment	Population	%	Change			Final	Assessment
	Population		Population	%	Assessed	Credit	Credit	Credit	Credit				Assessment		Assessment	%
Nahant	3,446	3	10,338	0.0416%	67,748					10,338	0.0458%	6,011	73,759	36	73,795	0.0453%
Natick	35,214	3	105,642	0.4251%	692,304	(507,511)				105,642	0.4678%	61,426	246,219	119	246,338	0.1513%
Needham	29,736	3	89,208	0.3390%	584,607					89,208	0.3950%	51,871	636,478	303	636,781	0.3910%
Norfolk	11,689	3	35,067	0.1411%	229,805	(77,950)				35,067	0.1553%	20,390	172,245	83	172,328	0.1058%
Norwood	28,951	3	86,853	0.3495%	569,174					86,853	0.3846%	50,501	619,675	295	619,970	0.3807%
Peabody	52,044	3	156,132	0.6283%	1,023,181					156,132	0.6913%	90,784	1,113,965	529	1,114,494	0.6843%
Quincy	93,494	3	280,482	1.1286%	1,838,084					280,482	1.2419%	163,089	2,001,173	950	2,002,123	1.2294%
Randolph	33,456	3	100,368	0.4039%	657,742					100,368	0.4444%	58,360	716,102	341	716,443	0.4399%
Reading	25,327	3	75,981	0.3057%	497,927					75,981	0.3364%	44,180	542,107	258	542,365	0.3330%
Salem	42,544	3	127,632	0.5136%	836,411					127,632	0.5651%	74,213	910,624	433	911,057	0.5594%
Saugus	27,735	3	83,205	0.3348%	545,268					83,205	0.3684%	48,380	593,648	283	593,931	0.3647%
Sharon	18,027	3	54,081	0.2176%	354,409					54,081	0.2395%	31,446	385,855	184	386,039	0.2370%
Stonham	21,734	3	65,202	0.2624%	427,289					65,202	0.2887%	37,912	465,201	222	465,423	0.2858%
Swampscott	13,951	3	41,853	0.1684%	274,275					41,853	0.1853%	24,336	298,611	143	298,754	0.1834%
Topshfield	6,388	3	19,164	0.0771%	125,588					19,164	0.0849%	11,143	136,731	66	136,797	0.0840%
Wakefield	26,080	3	78,240	0.3148%	512,731					78,240	0.3464%	45,493	558,224	266	558,490	0.3429%
Walpole	24,818	3	74,454	0.2996%	487,920					74,454	0.3297%	43,292	531,212	253	531,465	0.3263%
Waltham	62,227	3	186,681	0.7512%	1,223,377					186,681	0.8266%	108,547	1,331,924	633	1,332,557	0.8182%
Wellesley	29,090	3	87,270	0.3512%	571,907					87,270	0.3864%	50,744	622,651	296	622,947	0.3825%
Wenham	5,055	3	15,165	0.0610%	99,381					15,165	0.0671%	8,818	108,200	52	108,252	0.0665%
Weston	11,853	3	35,559	0.1431%	233,029					35,559	0.1574%	20,676	253,705	121	253,826	0.1559%
Westwood	14,876	3	44,628	0.1796%	292,461					44,628	0.1976%	25,949	318,410	152	318,562	0.1956%
Weymouth	55,419	3	166,257	0.6690%	1,089,533					166,257	0.7362%	96,672	1,186,205	564	1,186,769	0.7287%
Wilmington	23,147	3	69,441	0.2794%	455,068					69,441	0.3075%	40,377	495,445	236	495,681	0.3044%
Winchester	22,079	3	66,237	0.2665%	434,071					66,237	0.2933%	38,514	472,585	225	472,810	0.2903%
Wintthrop	18,111	3	54,333	0.2186%	356,061					54,333	0.2406%	31,592	387,653	185	387,838	0.2381%
Woburn	39,083	3	117,249	0.4718%	768,368					117,249	0.5192%	68,175	836,543	398	836,941	0.5139%
Ashington	16,124	1	16,124	0.0649%	105,665	(23,135)							82,530	39	82,569	0.0507%
Action	22,891	1	22,891	0.0921%	150,012	(73,838)							76,174	36	76,210	0.0468%
Amesbury	16,650	1	16,650	0.0670%	109,113	(300,365)							0	0	0	0.0000%
Andover	34,477	1	34,477	0.1387%	225,938	(167,309)							58,629	28	58,657	0.0360%
Ashburnham	6,155	1	6,155	0.0248%	40,336	(23,228)							17,108	8	17,116	0.0105%
Ashby	3,161	1	3,161	0.0127%	20,715	(9,513)							11,202	5	11,207	0.0069%
Ashland	17,150	1	17,150	0.0690%	112,389	(39,263)							73,126	35	73,161	0.0449%
Attleboro	43,886	1	43,886	0.1766%	287,598	(388,496)							0	0	0	0.0000%
Auburn	16,315	1	16,315	0.0657%	106,917	(146,958)							0	0	0	0.0000%
Ayer	7,821	1	7,821	0.0315%	51,253	(23,774)							27,479	13	27,492	0.0169%
Bellingham	16,675	1	16,675	0.0671%	109,276	(140,537)							0	0	0	0.0000%



**Town of Arlington
Office of the Town Manager**

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Town Manager

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Website: www.arlingtonma.gov

TO: Finance Committee

FROM: Adam W. Chapdelaine, Town Manager

DATE: March 11, 2015

RE: Snow & Ice Financing Options

Attached please find the most up to date cost accounting of expenditures related to Snow & Ice removal from the Director of Public Works. The Town has spent a total of 2,005,655, which is \$15,345 under the total existing spending authorization of \$2,021,000 (FY2015 Appropriation + Deficit Spending Authorization). It is anticipated that the Town will need to take full advantage of the Snow & Ice funding mechanisms that are traditionally available in order to fund the deficit. These include the annual appropriation, the deficit spending capacity contained within the Long Range Plan and the Reserve Fund. Here is a breakdown based on what is currently available:

Expenditures	
Expenditures as of March 11th	\$2,005,655
Anticipated Expenditures	\$80,000
Total Projected Expenditure	\$2,085,655
Funding Mechanisms	
FY 2015 Appropriation	\$771,000
Deficit Capacity	\$500,000
Total Available Funds	\$1,271,000
Balance of Deficit	(\$814,655)

At this point it is not yet clear what portion of the balance should be recommended to be funded through a Reserve Fund transfer or a transfer from a surplus in another municipal budget. The Town will continue to closely monitor spending across all accounts, more clearly identify the competing needs for reserve funds and provide a recommendation for fully addressing the Snow & Ice deficit. Additionally, the Town will look at options for increasing the deficit spending capacity within the Long Range Plan by an amount to be determined. A decision on this will likely be made in the coming weeks.

In the interim, Public Works is anticipating incurring an additional \$70,000 - \$80,000 (does not include any additional snow or ice events) in expenses related to snow & ice over the next several weeks. Therefore, I am requesting that the Finance Committee increase the existing deficit spending authorization by \$200,000 for a total authorization of \$1,450,000. This will cover expected costs and provide some capacity in the event of another storm.

Potential Reimbursements

On March 6th, the Town submitted an Initial Damage Assessment (IDA) to the Massachusetts Emergency Management Agency (MEMA). MEMA uses this information to determine the eligibility for federal disaster assistance. Information and costs associated with four storms were eligible for submission. The storm "periods" are as follows:

Storm # 1	January 26 - February 1, 2015
Storm # 2	February 2 - 7, 2015
Storm # 3	February 3 - 13, 2015
Storm # 4	February 14 - 22, 2015

The Town submitted a total of \$1,016,364 in costs associated with the four storms. This includes expenditures incurred by Public Works, Fire and Police. It should be noted that these costs are projections and at this point only Storm # 1 has been declared as reimbursable. The reimbursement rate is 75%. Providing all four storms are determined to be reimbursable, the total reimbursement to the Town of Arlington would be approximately \$762,273. In all likelihood, these funds would not be available to this Town this fiscal year. Below is a breakdown by department of costs submitted as part of the IDA.

	Storm # 1	Storm # 2	Storm # 3	Storm # 4
Public Works	\$250,000	\$176,000	\$247,500	\$313,500
Fire	\$21,693	\$600	\$1,200	\$1,700
Police	\$3,071	\$0	\$0	\$1,100
Total Costs Submitted	\$274,764	\$176,600	\$248,700	\$316,300

I will keep the Finance Committee informed of the Town's eligibility for reimbursement as additional information becomes available.



PUBLIC WORKS DEPARTMENT
TOWN OF ARLINGTON

51 Grove Street, Arlington, Massachusetts 02476
Phone: (781) 316-3108 Fax: (781) 316-3281

Memo to: Adam Chapdelaine
From: Mike Rademacher
Date: March 11 2015
Subject: Current 2014-2015 Snow/Ice Expenditures

Below is a summary of expenditures to date for snow/ice operations:

To date there have been 27 snow/ice events involving DPW response (8 of which required contractor assistance)

Totals for the season:

27 – snow/ice events (17 snow events, 10 ice events);
100”± total snowfall

Town Appropriation for Snow/Ice - \$771,000

Expended to date:

\$2,005,655 broken down as follows:

- \$617,950 in salt purchases
- \$170,750 vehicle parts and repairs (includes upfront costs to outfit several trucks with new spreader technology)
- \$431,185 DPW overtime expenses
- \$441,000 Contracted Plowing (contractors have been called in on 8 of the 25 events)
- \$42,383 Hauling snow to and from the Reservoir Parking Lot (and Dow Ave) with contracted help
- \$183,625 Contracted removal and hauling of snow from Town mains
- \$118,762 Contracted removal of snow from Town/School roofs

The most significant difference in the above numbers from my last memo is due to funds spent on salt. As of the last memo our salt stores were essentially depleted and we placed an order to fill the salt sheds. Given the nature of the past winter and the difficulties we have had getting the material delivered, we were not comfortable going the rest of the season without stocking the material on hand. Those deliveries have been coming in over the past week and a half.

I still expect the following snow/ice expenses (assuming no additional storm events):

\$25,000-\$35,000; for remaining salt deliveries

\$30,000; to remove snow from the Reservoir Parking Lot and push snow back at Dow Ave

\$15,000; in DPW overtime for night work widening streets

Please do not hesitate to contact me with any questions.

CERTIFICATE OF VOTE

The undersigned, being the Chairman of the Finance Committee of the Town of Arlington, hereby certifies that the following was voted by the Finance Committee of the Town of Arlington at its duly posted public meeting held on March 11, 2015, by a vote of ____ to ____, ____members of the Committee then being present:

VOTED: That the Town's expenditure in excess of appropriation for the fiscal year beginning July 1, 2014, for the removal of ice and snow in the additional amount of \$200,000 (\$1,450,000 total) be and hereby is approved in accordance with Section 31D of Chapter 44 of the General Laws.

I further certify that the aforesaid vote has not been rescinded, in whole or in part, by vote of the Finance Committee as of the date specified below.

*Allan Tosti
Chair, Finance Committee*

Date: March 11, 2015



**Town of Arlington
Office of the Town Manager**

Adam W. Chapdelaine
Town Manager

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To: Members of the Finance Committee

From: Adam Chapdelaine, Town Manager

RE: Department Head Step Increases

Date: March 11, 2015

It is my understanding that the Finance Committee is interested in the process used to determine Department Head step increases. Management positions are compensated in accordance with the Management Classification and Salary Plan, often referred to as the "M" schedule, that is provided on page 257 of FY2016 Town Manager's Budget Book. As is stated on this document, Department Head compensation is broken down into three grades, all with a minimum and maximum salary. Practice has been and continues to be that progression from Step 1 to mid-point is automatic on an annual basis. Progression from mid-point to maximum is then at the Town Manager's discretion.

Last year for the first time, I instituted a formal performance evaluation process for Department Heads. This is a process I plan to continue on an annual basis. I do not plan to offer step increases beyond mid-point in differing amounts based on merit, but rather, I plan to offer step increases beyond mid-point to all Department Heads who receive a positive performance evaluation. A decision regarding whether or not step increases beyond mid-point will be made available is also dependent on the budgetary ability to accommodate such increases.



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To: Members of the Finance Committee
From: Adam Chapdelaine, Town Manager
RE: Status of Energy and Fuel Contracts

Date: March 11, 2015

It is my understanding that the Finance Committee is interested in the current status of the Town’s utility and fuel contracts. The table below provides information regarding vendor, contract term, and contracted rates. For utility contracts the Town works with Bay State Consultants to procure both electricity and natural gas. In regard to vehicle fuel (gasoline, diesel, winter blend), we are participants in a multi-community consortium (organized by Brookline) that annually solicits bids.

Electric Supply Contract		
Vendor	End Date	Rate
TransCanada	12/1/2016	\$0.8805/kWH
Natural Gas Supply Contract		
Vendor	End Date	Rate
Direct Energy	12/31/2017	\$6.960/Dth
Gasoline		
Vendor	End Date	Rate
Global	6/30/2015	\$3.2675/gallon
Burke	6/30/2016	\$1.973/gallon
Diesel		
Vendor	End Date	Rate
Burke	6/30/2015	\$3.4634/gallon
Burke	6/30/2016	\$2.1703/gallon
80/20 Winter Blend		
Vendor	End Date	Rate
Burke	6/30/2015	\$3.6539/gallon
Burke	6/30/2016	\$2.3703/gallon



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To: Members of the Finance Committee

From: Adam Chapdelaine, Town Manager

RE: Solar Power Purchase Agreement

Date: March 9, 2015

I am writing to you today to provide information regarding a proposed Power Purchase Agreement (PPA) between the Town of Arlington and Ameresco (doing business under the name Arlington Municipal Solar PV Projects 2015 LLC (AMSPV)). The PPA would allow for the installation of solar panels on the roofs of six schools in Arlington, projecting to save approximately \$2,000,000 over the course of the agreement. The solar panels are planned to be installed on portions of the roofs of Arlington High School, Ottoson Middle School, Peirce Elementary School, Stratton Elementary School, Thompson Elementary School, and Dallin Elementary School.

Please see the following terms and considerations regarding this proposed PPA:

General Terms & Considerations

- The Town will agree to license the area of the project to AMSPV (roof spaces of the schools).
- The proposed term of Agreement is 20 years, which may be extended by mutual agreement for 2 additional terms of 5 years each.
- AMSPV will pay for all costs to construct, install, operate, and maintain the solar project.

- The project will be reviewed and approved by the Arlington Building Department before installation. It is also important to note that the structural calculations regarding the weight of the PV systems are performed after factoring in snow loads and other safety factors. However, removal of snow from roofs in a winter like this will require enhanced upfront planning.
- AMSPV will follow Arlington's required protocols for, access, safety, and security during construction, operation, and at any time entering and/or occupying a school building or Town property. This includes CORI/SORI checks for all AMSPV personnel and related sub-contractors.
- If a facility will be offline for major repairs or reconstruction within the first 10 years of the contract, the Town will pay AMSPV for the lost revenue, as well as the cost of removal, storage, and reinstallation costs. If the facility will be offline after year 10 of the contract, the term of the contract will be extended on a month to month basis to offset lost revenue to AMSPV.
- The Town can purchase the projects at the end of the term for a fair market value price determined via an outside appraiser.
- AMSPV will provide LED screens detailing electricity production in each school building. Remote web access will be available for the public to view the data. An educational program for K-12 will also be provided and is included in the cost of the project.

Financial Terms & Considerations

- Arlington stands to save money via this PPA by taking advantage of the net metering credits that the solar energy produced by the PV systems will enable. The proposed arrangement work in the following manner:
 - Arlington buys the solar energy produced by the PV systems from AMSPV for \$0.1280 per kWh.
 - Arlington receives a net metering credit from the utility (Eversource) based on the market price of electricity. Current calculations provided by the Town's consultant are \$0.2549 per kWh.
 - Based on this, the proposed savings over the course of the agreement look like this:

Town of Arlington NMC Projections - B5 Time of Use Rate Class				
CONTRACT YEAR	ANNUAL PRODUCTION (kWh)	COST OF POWER (\$)	VALUE OF NM CREDITS (\$)	ESTIMATE NPV SAVINGS (\$)
0	859,920	\$ 110,070	\$ 219,180	\$ 109,111
1	855,620	\$ 109,519	\$ 222,446	\$ 108,410
2	851,342	\$ 108,972	\$ 225,761	\$ 107,632
3	847,086	\$ 108,427	\$ 229,124	\$ 106,785
4	842,850	\$ 107,885	\$ 232,538	\$ 105,874
5	838,636	\$ 107,345	\$ 236,003	\$ 104,904
6	834,443	\$ 106,809	\$ 239,520	\$ 103,880
7	830,271	\$ 106,275	\$ 243,088	\$ 102,808
8	826,119	\$ 105,743	\$ 246,710	\$ 101,692
9	821,989	\$ 105,215	\$ 250,386	\$ 100,536
10	817,879	\$ 104,688	\$ 254,117	\$ 99,345
11	813,789	\$ 104,165	\$ 257,904	\$ 98,122
12	809,720	\$ 103,644	\$ 261,746	\$ 96,871
13	805,672	\$ 103,126	\$ 265,646	\$ 95,595
14	801,643	\$ 102,610	\$ 269,604	\$ 94,297
15	797,635	\$ 102,097	\$ 273,622	\$ 92,981
16	793,647	\$ 101,587	\$ 277,698	\$ 91,649
17	789,679	\$ 101,079	\$ 281,836	\$ 90,304
18	785,730	\$ 100,573	\$ 286,036	\$ 88,948
19	781,802	\$ 100,071	\$ 290,297	\$ 87,584
20 Year NPV	\$ 1,987,329			
NPV = Net Present Value		NM = Net Metering		

- This projection assumes the following:
 - 2% annual growth in the market/grid rate for electricity costs.
 - No escalator in cost/kWh over the term of the agreement for solar energy bought from AMSPV.
 - 4% discount rate used for NPV calculation.

The primary risk involved with this PPA is the potential for a reduction in the market price of electricity upon which the net metering credits are calculated. However, due to the fact that transmission and distribution costs are currently \$0.08/kWh, and it is very safe to project that transmission and distribution costs are not going to decrease over time, that the commodity cost of electricity would need to decrease to the price of \$0.05/kWh for this PPA to become even a breakeven proposition. Given current projections for the electricity costs, especially in New

England, it is a very low risk that this PPA will not remain a net positive for the community over the course of its 20 year duration.

I look forward to answering any questions that the Finance Committee might have about this matter at Wednesday's meeting.



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TO: Finance Committee

FROM: Adam Chapdelaine, Town Manager

RE: Article 20 – Collective Bargaining

DATE: March 11, 2015

The Town has been engaged in negotiations relative to successor collective bargaining agreements with employee unions since September 2014. These negotiations have been guided by a strategy that is based upon two fundamental principles:

- 1.) Offer cost of living increase that are consistent with recent Consumer Price Index (CPI) trends and increases. The Town has proposed 2% cost of living increases to each union that has been engaged in negotiations.
- 2.) Use the Town's Comprehensive Salary/Benefits Study to inform negotiations and identify any existing salary inequities among all positions within the organization. Consistent with the commitments of the study, the Town will offer parity adjustments where necessary and appropriate.

The Town has budgeted \$700,000 within the Town Manager's Operating Budget and is requesting that amount to be funded through Article 20. That amount is projected to fund agreements with each employee union (not including teachers) and non-union employees.

To date, the Town has reached agreements in principle with the Robbins Professional Librarians Association and the International Association of Firefighters, Local 1297. The Town Manager's Office and Human Resources Office will continue to actively pursue agreements with the other Town unions in an effort to have them in place for July 1, 2015. It is not expected that agreements will be reached with all unions by the start of Town Meeting.

Details of agreements will be made available to the Finance Committee once they are finalized.